GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:329
ANSWERED ON:01.03.2002
REMOVAL OF RESTRICTIONS ON MOVEMENT OF FOODGRAINS
ASHOK NAMDEORAO MOHOL;BHIM PRASAD DAHAL;CHANDRA BHUSHAN SINGH;JAYASHREE BANERJEE;SHANKERSINH VAGHELA;SUBODH MOHITE;SULTAN SALAHUDDIN OWAISI

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Union Government have decided to remove all restrictions on the movement and storage of foodgrains, edible oils and sugar alongwith the complete decontrol of the sugar industry;

(b) if so, the extent to which it will be helpful to the poor people and in boosting the export and also in stabilising the prices of foodgrains;

(c) the steps taken to check illegal diversion of PDS stocks to the free market; and

(d) the steps initiated by the Union Government to liquidate the mounting stocks of foodgrains?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI PRADHAN)

(a)&(b): Central Government has issued the Removal of (Licensing Requirements,Stock Limits and Movement Restrictions) on Specified Foodstuffs Order 2002 on 15.2.2002, according to which any dealer may freely buy, stock, sell, transport, distribute, dispose, acquire, use or consume any quantity of wheat, paddy/rice, coarse grains, sugar, edible oil seeds and edible oils and shall not require any license or permit therefor. The order would have effect after 30 days from the date of its issue. Government has also decided to effect complete de-control of sugar after operationalisation of the futures/forward trading in sugar during the financial year 2002-03. These measures are expected to facilitate free trade and movement of foodstuffs, enable the farmers to get best prices for their produce, achieve price stability and ensure availability of foodstuffs in deficit areas. Exports of foodstuffs would be determined by factors like surplus availability, prices prevailing in the domestic and international markets etc.

(c): In order to streamline the functioning of the Public Distribution System (PDS) and make it more accountable and effective, Government has issued the Public Distribution System(Control) Order, 2001 under the Essential Commodities Act, 1955.In terms of this Order, the State Governments have been made responsible for monitoring the implementation of PDS to check diversion of foodgrains. States/UTs have been requested to closely monitor PDS at the Fair Price Shop (FPS) and other levels and to make arrangements for distribution of PDS commodities in a transparent manner by involvement of Panchayati Raj Institutions.States/UTs have also been asked to eliminate bogus ration cards and initiate action against erring FPS owners under the Essential Commodities Act, 1955.

(d): The Open Market Sale Scheme (Domestic) of wheat is being implemented under which wheat is sold in the open market by the Food Corporation of India to liquidate the surplus stocksavailable in the Central Pool .Besides several measures have also been taken to improve the offtake of foodgrains under PDS viz. increase in quota of foodgrains for BPL families, lower CIP for rice and wheat for the APL population, availability of foodgrains at BPL rates for welfare and development schemes, free distribution of foodgrains to drought/flood affected States and permission to FCI to export foodgrains at a price not lower than the CIP for BPL category.